Covers conditions in June, 1916

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MONTHLY REPORT
CROP AND BUSINESS CONDITIONS
IN NINTH FEDERAL RESERVE DISTRICT.

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GENERAL:

Crop conditions with respect to the small grains continue favorable. The fields show excellent color and a strong growth. The outlook is for a very good crop, although the acreage of wheat will be reduced by about 15 percent.

Corn was backward until the last ten days of the month, when warm clear days rapidly improved the growth. The present weather is very favorable to the development of the corn crop, and will, if it continues, overcome the handicap of late planting and very slow development due to cold weather during the first part of the season.

The Ninth District will harvest an unusual hay crop of fine quality. Wild hay and the forage crops alike show a strong heavy growth ,and the yield will be large.

The potato crop is making good progress, although it has suffered somewhat from too much rain.

The lumber business is experiencing a lull at the present time. Building material is high in price and hard to get on short notice. The railroads are not in the market to any great extent, and expected orders from this source are not materializing. This is accounted for by the scarcity of common labor.

The paper mills are doing a heavy business, and the demand exceeds the supply, and prices rule high. Expiring contracts are being renewed at advanced prices.

In wholesale lines the present volume of business is good,although there is some question in the minds of the managers of a number of the larger houses whether the last half of the year will demonstrate as satisfactory a volume as the first half. Crop conditions will have a great deal to do with the future course of all lines in the distributing business. The first half year has shown very excellent returns and good collections. Wholesale dry-goods and some other lines report very large advance orders for fall. This is not interpreted as meaning that the merchants expect a proportionately large business, but that a great many of those in retail lines are buying more freely in view of anticipated needs, and to cover reductions in stock due to recent good business.

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Extremely heavy shipments are being made from the iron districts of Northern Michigan and Northern Minnesota, and the copper output in Northern Michigan and Montana is very heavy.

The labor situation is more disturbed than a month ago, with a serious strike in progress on the iron ranges in Northern Minnesota, which has been accompanied by riots and injury to property. A teamsters' strike has been in progress in Minneapolis, and other centers report considerable unrest, although labor is enjoying ample opportunities for employment at very good wages. Common labor is scarce, and there is already some inquiry as to what conditions will be during the fall harvest season, when a very large number of unskilled laborers will be required.

The consensus of opinion in banking and business circles seems to be that the present period of active business prosperity will continue, but will be accompanied by a healthy disposition to view the future with some conservatism and check undue expansion in all lines.